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MEMORANDUM

NOVEMBER 16, 1989

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: THOMAS O'MALLEY, ACTING ASSISTANT DIRECTOR FOR
NEIGHBORHOOD HOUSING AND DEVELOPMENT

SUBJECT: PROPOSED RIDERS TO TWELVE DIFFERENT APPROVED HOUSING
CREATION PROPOSALS

SUMMARY: A RIDER IS PROPOSED FOR EACH OF THE TWELVE HOUSING
CREATION PROPOSALS AFFILIATED WITH THOSE DIP AGREEMENTS
WHICH FORM THE COLLATERAL FOR THE METROPOLITAN LIFE
INSURANCE COMPANY LOAN MADE TO THE NEIGHBORHOOD HOUSING
TRUST; SAID RIDERS WILL ALLOW FOR THE DISBURSEMENT OF
EXTRA CASH GENERATED BY THE FAVORABLE TERMS OF THE
METROPOLITAN LIFE LOAN AGREEMENT.

Housing Creation Proposals for each of the 12 projects listed in
the attached Exhibit 1 were reviewed by the Neighborhood Housing
Trust ("the Trust") and approved by the Boston Redevelopment
Authority ("BRA") Board of Directors, pursuant to the Housing
Creation Regulations.

On July 27, 1989, the Trust voted to recommend that the BRA act
as agent for the Trust for the purpose of negotiating loans to
the Trust from the Metropolitan Life Insurance Company ("Met
Life") and the Prudential Insurance Company of America. Said
loans were negotiated using the payment streams generated by
several Development Impact Project exaction agreements ("DIPs")
as collateral.

During the course of these negotiations, it became clear that, in
a number of cases, more cash than originally projected would
become available from the individual DIPs committed to these 12
Housing Creation Proposals. This was because the original
calculations in the Housing Creation Proposals had been
predicated on higher discount rates than that achieved in the Met
Life negotiation, and since the time of the Housing Creation
proposals approval votes, individual DIP payments had been made
which negated the need for discounting the entire DIP. The
passage of time also made it clear that a number of the housing
projects had increased funding needs from those originally voted.

In recognition of these factors, the Trust also voted on July 27, 1989 to amend the relevant housing creation votes in accordance with Schedule A, amended on September 28, 1989 to Schedule A-1 (attached). Riders to the individual Housing Creation Proposals in accordance with that Trust vote now come before the Board for approval pursuant to the Housing Creation Regulations. All seven downtown contributors seek approval such that an award of any cash surplus from the seven DIPs may be made to any of the 12 Housing Creation projects listed on Exhibit 1 which have a demonstrable need for funds.

It is therefore recommended that the Board of Directors approve the proposed Riders to each of the 12 affected Housing Creation Proposals.

Appropriate votes follow:

VOTED: That the Authority finds the following regarding the Riders to Housing Creation Proposals submitted by the downtown contributors listed on Exhibit 1, which Exhibit is attached hereto and incorporated herein by reference: (1) that all seven downtown contributors are obligated to pay Development Impact Project Exactions pursuant to Article 26 of the Boston Zoning Code and Development Impact Project agreements entered into by the downtown contributors and the Boston Redevelopment Authority; (2) that the seven downtown contributors submitted twelve Housing Creation Proposals listed on Exhibit 1 pursuant to either Section 26(2) (3) (b) or Section 26A (2) (3) (a) of the Boston Zoning Code, which were reviewed and recommended for approval by the Neighborhood Housing Trust; (3) that the Authority found after consideration of evidence submitted at a public hearing for each of the twelve Housing creation proposals that the application of DIP Exactions from the downtown contributor's DIP Agreements was necessary and appropriate, and that the twelve Housing Creation Proposals were approved as submitted together with such minor amendments as the Director deemed necessary and appropriate; and (4) that all seven downtown contributors have proposed Riders to the twelve Housing Creation Proposals which request that any available cash surplus to that which was originally proposed and voted in the twelve Housing Creation Proposals and BRA Board vote may be allocable to any of the recipient Projects listed on Attachment A-1, for total linkage awards not to exceed those identified in the column entitled "TOTAL GAP PV FUNDS NEEDED BY THIS DATE" (said Attachment appended hereto and incorporated herein by reference);

AND
VOTED:

That the Neighborhood Housing Trust reviewed and approved the substance of the Riders to the Housing Creation Proposals on July 27, 1989 and September 28, 1989, and said twelve Riders are hereby approved as submitted together with any conditions recommended in the Trust's votes of July 27, 1989 and September 28, 1989 together with such minor modifications to the Riders as may be necessary (copies of the votes appended hereto and incorporated by reference herein); said approval to become effective in each case upon receipt by the Authority of the signed rider;

AND
VOTED:

That upon receipt of each Rider, the Director is authorized to enter into, or to delegate to the Public Facilities Department the authority to enter into, as the case may be, any necessary amendments to the twelve Housing Creation Agreements pursuant to Section 9 of the Housing Creation Regulations and such other documents as may be necessary to implement the Housing Creation Proposals, each on such terms and conditions as the Director may deem necessary and/or appropriate to the successful implementation of said documents.

EXHIBIT 1 to November 16, 1989 Board memorandum

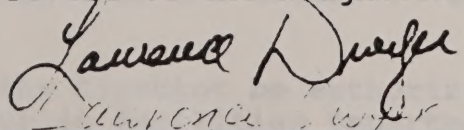
DOWNTOWN CONTRIBUTORS & ASSOCIATED HOUSING CREATION PROPOSAL RECIPIENTS	AUTHORITY HOUSING CREATION APPROVAL BOARD DATES
HERITAGE ON THE GARDEN/ O'Reilly School	6/18/87
125 HIGH STREET/ Brooks School	1/28/88
101 ARCH STREET Lithgow Block	1/28/88
500 BOYLSTON STREET/ Langham Court Parmelee Court	1/28/88
73 TREMONT STREET/ Operation Food Old Boston Restorations South West Crossing	7/14/88
150 FEDERAL STREET IBA - 640 Tremont Street Dacia Block	8/18/88
75-101 FEDERAL STREET/ Lower Roxbury Tenants Assoc. Lorne Street Development	9/15/88

SCHEDULE A-1

USE OF METROPOLITAN LIFE FUNDS

<u>PROJECTS</u>	<u>ORIGINAL PV COMMITMENT</u>	<u>TOTAL PV GAP FUNDS NEEDED BY THIS DATE</u>
Lithgow	\$ 850,000	\$1,100,000
Brooks	1,351,000	1,246,000
SWC	150,000	-
Old Boston	300,000	284,000
Operation Food	150,000	150,000
Langham Court	1,313,000	2,308,000
Parmelee Court	815,000	1,057,000
Dacia	615,000	949,100
IBA	500,000	650,000
Lorne	975,000	975,000
Lower Roxbury	350,000	400,000
O'Reilly School	305,000	305,000
TOTALS	\$7,680,000	\$9,423,300

- 1) Available from Met Life loan and cash on hand = \$10,186,600.
- 2) Amount needed: \$9,424,100.
- 3) Any funds realized from the Met Life loan and not utilized by the above-noted projects shall revert to the Neighborhood Housing Trust.



Lawrence Dwyer, Chair
Neighborhood Housing Trust

Date: 9/28/89

RIDER TO THE (e.g. 500 BOYLSTON STREET)

HOUSING CREATION PROPOSAL

WHEREAS, on _____ 198__, _____ Limited Partnership entered into a Development Impact Project Agreement ("DIP Agreement") with the Boston Redevelopment Authority (the "Authority") regarding the downtown Boston _____ development; and

WHEREAS, according to the DIP Agreement, _____ may satisfy its housing linkage obligation to the City of Boston through a series of _____ annual payments of \$_____ each to the Neighborhood Housing Trust (the "Trust") or through an approved Housing Creation Proposal, or through some combination of the two options; and

WHEREAS, _____ submitted a Housing Creation Proposal which will utilize \$_____ of the present value of the remaining eleven linkage payments due in accordance with their DIP Agreement, and which will constitute the total remaining DIP obligation. The contribution will be made to _____ for its development of _____ units, _____% affordable, in the _____ neighborhood; and

WHEREAS, the Authority found after consideration of evidence submitted at a public hearing on _____, 198__, regarding the Housing Creation Proposal submitted by _____ Limited Partnership that the Neighborhood Housing Trust reviewed said proposal on _____, 198__ and voted to recommend approval to the Authority with regard thereto and that the application of the total remaining DIP Exactions from _____ Limited Partnership proposed in its Housing Creation Proposals was necessary and appropriate; and

WHEREAS, the Housing Creation Proposal submitted to the Neighborhood Housing Trust by _____ Limited Partnership on _____, 198__ was approved as submitted together with any conditions recommended in the Trust's vote of _____, 198__ together with such minor modifications to the proposal as were necessary (copies of the vote were appended and incorporated by reference therein); and

WHEREAS, it was further voted that the Director be authorized to enter into, or to delegate to the Public Facilities Department the authority to enter into, as the case may be, a Housing Creation Agreement pursuant to Section 9 of the Housing Creation Regulations and such other documents as were necessary to implement the Housing Creation Proposal to ensure the successful development by _____ of _____ which will utilize

\$_____ of the present value of the linkage, on such terms and conditions as the Director deemed necessary and/or appropriate to the successful implementation of said documents; and

WHEREAS, on July 27, 1989 the Neighborhood Housing Trust recommended that the Boston Redevelopment Authority act as agent for the Trust for the purpose of negotiating loans to the Trust from the Metropolitan Life Insurance Company and Prudential Insurance Company of America, and further that in accordance with the Trust policy and practice of including within all Housing Creation votes a proviso which allows for such minor amendments to the Housing Creation proposals as may be necessary to implement said affordable housing project, the Neighborhood Housing Trust recommended that the relevant Housing creation votes be amended in accordance with Schedule A, (as amended to attached Schedule A-1 by a September 28 1989 Trust vote) with any remaining funds reverting to the Trust; and

WHEREAS, pursuant to a July 27, 1989 Board vote the Authority, as agent for the Trust, entered into negotiations with Metropolitan Life Insurance Company and the Prudential Insurance Company to negotiate loans to the Neighborhood Housing Trust based upon the Development Impact Agreements as collateral, of which the instant DIP is one, and certain other negotiated terms and conditions; and

WHEREAS, as a result of these negotiations as to discount rate and other factors (such as _____ yearly exaction payments having been made since the DIP was signed) there now exists more available cash than was originally anticipated and voted in the _____ Limited Partnership Housing Creation Proposal;

IT IS NOW PROPOSED TO AMEND the _____ Limited Partnership Housing Creation Proposal to include the following proviso:

That any available cash, surplus to that which was originally provided for in the _____ Housing Creation Proposal approved by the BRA on _____, may be allocable to any of the recipient Projects listed on Attachment A-1, for total linkage awards not to exceed those identified in the column entitled "TOTAL GAP PV FUNDS NEEDED BY THIS DATE". Said increased allocation shall be at the discretion of the Neighborhood Housing Trust and the Boston Redevelopment Authority.

Date: _____

Limited
Partnership

Boston Redevelopment Authority Chairman's Statement
November 16, 1989 2:00 p.m.
Housing Creation

This is a public hearing before the Boston Redevelopment Authority, held in conformity with Section 26A-2(3) (a) of the Boston Zoning Code, to consider Riders to Housing Creation Proposals submitted to the Authority as follows:

1) HERITAGE ON THE GARDEN for the O'Reilly School; 2) 125 HIGH STREET for the Brooks School; 3) 101 ARCH STREET for the Lithgow Block; 4) 500 BOYLSTON STREET for Langham Court and Parmelee Court; 5) 73 TREMONT STREET for Operation Food, Old Boston Restorations, and South West Crossing; 6) 150 FEDERAL STREET for IBA/640 Tremont Street and Dacia Group Housing; and 7) 75-101 FEDERAL STREET for Lower Roxbury Tenants Cooperative and Lorne Street Development.

This hearing was duly advertised on November 11, 1989 in the Boston Herald.

The procedure will be as follows: in a Boston Redevelopment Authority hearing pursuant to the Housing Creation Regulations, Authority staff will first present the Riders and are subject to Questioning by members of the Authority only. Thereafter, others who wish to speak in favor are afforded an opportunity to do so under the same rules of questioning. Following that, those who

wish to speak in opposition may do so, again under the same rules of questioning.

Finally, the proponents are allowed a period of five to ten minutes for rebuttal, if they so desire.

Will the staff please proceed.

